

Djibouti

Population: **940,000**
Projected (2030): **1.1 million**
GDP Growth: **6.5%**
GDP/Cap (PPP): **\$1,862**

"A new growth model will be implemented to harness the significant opportunities that exist across a variety of sectors, including fishing and farming, tourism, logistics, ICT, financial services, manufacturing and renewable energy."

– Djibouti Vision 2035

ENERGY SECTOR OVERVIEW

Djibouti is endowed with abundant solar, wind, and geothermal natural resources, along with extensive coastline and dedicated port areas. The country has the potential to generate more than 300 megawatts (MW) of electric power from renewable energy sources, and much more from other resources, given its coastline and proximity to fuel-producing nations of the Gulf. Djibouti currently has just over 100 MW of installed generation capacity, of which only 57 MW is reliably available to serve a population of 940,000 people and its key industries. Djibouti's geothermal resources have been recognized for years, and exploration activities are currently underway to identify economic vapor resources.

Despite high resource potential and opportunities for cross-border export, Djibouti's power sector faces significant challenges, including overall coherence of planning and goals, infrastructure development, deal flow and market entry for independent power producers (IPPs). Most of these issues may be easily resolved with regulatory clarity, institutional capacity building, and interconnection protocols. All of these activities are encouraged and supported by Power Africa. The potential for positive development in the energy sector in Djibouti remains high.



GENERATION CAPACITY

Installed Capacity: 126 MW

- Thermal: 126 MW

Power Africa New MW to Date

- Reached Financial Close: 0

Power Africa 2030 Pipeline: 1,860 MW



CONNECTIONS

Current Access Rate: 42%

- Rural: 1% Urban: 54%

Households without Power: 110,000

- Target: Universal Access by 2035

Power Africa New Connections to Date: N/A

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks

1. Slow implementation of IPP law
2. Reliance on electricity imports
3. Technical losses; weak supply infrastructure

Power Africa Interventions

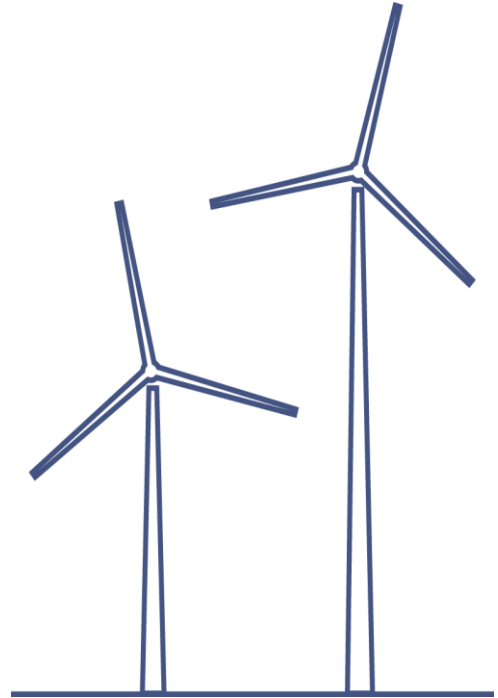
1. Develop laws and regulations
2. Transaction advisory support
3. Planning, operation and maintenance of generation
4. Geothermal test drilling, financing, and data management



POWER AFRICA'S ENGAGEMENT IN DJIBOUTI

Power Africa is supporting Djibouti's energy development strategy through a wide range of technical assistance in cooperation with the World Bank/International Finance Corporation, the European Commission, the Japan International Cooperation Agency (JICA), and other development partners:

- Assist with the development of new laws and regulations that will facilitate private-sector led IPP investments in solar, wind, and geothermal projects;
- Assist with negotiations and bring to financial closure two potential gas projects that can be scaled beyond to meet needs within the Djibouti Ports and Free Zones Authority (DPFZA), Djibouti and the region, while providing support to the DPFZA with its energy planning and development;
- Assist with new IPPs and transition to competitive tendering;
- Assist with the planning, operation, and maintenance of generation, transmission, and distribution systems as they are expanded;
- Develop the grid code that specifies the rules and responsibilities for all energy stakeholders;
- Develop a plan to reduce distribution losses and assist with introduction of "smart grid technology"; and
- Support development of off-grid electricity and small-scale renewable energy production.



ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, over 140 private companies, and 16 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

CONTACT US

Post Contact
Rabiah Mateen
rmateen@usaid.gov

Coordinator, Power Africa
Andrew M. Herscovitz
powerafrica@usaid.gov

Country Desk Officer
David Stonehill
dstonehill@usaid.gov

www.usaid.gov/powerafrica | www.facebook.com/PowerAfrica

